

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to adoption of rates needed to implement agency wastewater service agreements in Fiscal Year (FY) 2013-14.

Recommendation for Council action:

CONCUR with the Board of Public Works' (BPW) August 30, 2013 action to adopt for following rates used for charging agencies for sewer service pursuant to the Universal Terms Agreements for service in FY 2013-14:

- a. Amalgamated System Sewerage System Charge (ASSSC) rates.
- b. Classification of ASSSC rates between operation and maintenance (O&M) and capital.
- c. Amalgamated System Sewerage Facilities Charge (ASSFC) rates.
- d. Capital investment buyout rates.

Fiscal Impact Statement: The BPW reports that there will be a positive impact on the Sewer Construction and Maintenance Fund due to an increase in both the ASSSC rates and the ASSFC rates, as compared to last year. There is no fiscal impact on the General Fund.

Community Impact Statement: None submitted.

Summary:

On October 2, 2013, your Committee considered an August 30, 2013 BPW report relative to adoption of rates needed to implement agency wastewater service agreements in FY 2013-14. According to the BPW, beginning in 1999, the City has executed Universal Terms Agreements for providing sewer service to twenty agencies located outside the City limits, such as the cities of Burbank, Glendale and Santa Monica. These agreements provide for consistent and fair charges for serving the agencies and conform to the applicable federal and state revenue program requirements.

The primary charges are the Amalgamated System Sewerage System Charges (ASSSCs) that recover the City's annual costs of providing service and the Amalgamated System Sewerage Facilities Charges (ASSFCs) that recover the costs of providing capacity to serve new development within the agencies. These two charges are largely consistent with the Sewer Service Charges and Sewerage Facilities Charges levied upon the City's internal customers. However, certain differences in the charges account for differences in service between the internal and agency customers. For example, the agency charges do not include costs associated with the City's capital financing program since the agencies elected not to participate in the City's bonds.

Representatives from the Bureau of Sanitation answered questions from the Committee members and after further consideration and having provided an opportunity for public comment, the Committee moved to recommend concurring with the BPW's action as detailed in the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	YES
LABONGE:	ABSENT
HUIZAR:	ABSENT
KORETZ:	YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-